

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

[] Check this box if no longer Subject to Section 16.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act 1940

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1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person to Issuer (Check all Applicable)	
O'Grady	John	P	Rayonier Inc. (RYN)		Director	10% Owner
(Last)	(First)	(MI)	3. IRS or Soc. Sec. No. of Reporting Person (Voluntary)		X Officer Other ---(give title below) ---(Specify below)	
1177 Summer Street			4. Statement for Month/Year		Senior Vice President	
(Street)			January 1998		7. Individual or Joint/Group Filing (Check Applicable Line)	
Stamford CT 06905-5529			5. If Amendment, Date of Original (Month/Year)		X Form filed by One Reporting Person --- Form filed by More than One Reporting Person	
(City)	(State)	(Zip)				

TABLE I - Non-Derivative Securities Acquired, Disposed of or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Mon/Day/Yr)	3. Transaction Code (Instr. 8)	4. Security Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)			5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 & 4)	6. Ownership Form (D) or (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount	(A) (D)	Price			
Common Shares	01/14/1998	M (01)	7500	A	\$0.0000 (01)			
Common Shares	01/14/1998	F	3263	D	\$41.6900	13599.467	D	
Common Shares					\$0.0000	2663	I (02) In Trust	

Reminder: Report on a separate line for each class securities owned directly or indirectly.
*If the form is filed by more than one reporting person, see Instruction 4(b)(v).

SEC 1474 (7-96)

FORM 4 (continued)

TABLE II - Derivative Securities Acquired, Disposed of, Beneficially Owned (e.g., puts, calls, warrants, options, convertible security)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Mon/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned at End of Month (Instr. 4)	10. Ownership Form (D) or (I)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A)	(D)	Date Exbl.	Exp. Date					
EMPLOYEE STOCK OPTION	\$42.6300	01/02/1998	A	V	14000		01/02/1999 01/04/2008	Common Shares		14000		D

